

Subdivision Name: \_\_\_\_\_

## **MODERATELY PRICED DWELLING UNITS**

### **DECLARATION OF COVENANTS FOR SALE SUBDIVISIONS**

THIS DECLARATION, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, hereinafter set forth by \_\_\_\_\_, owner (hereinafter referred to as "Declarant").

NOW, THEREFORE, Declarant hereby declares that all of the properties described hereinafter shall be held, sold and conveyed subject to the following covenants, conditions, and restrictions:

#### **ARTICLE I**

Declarant is the owner of all of the property set forth and described in the list attached hereto and made a part hereof as Exhibit A. The properties are the subject of this Declaration of Covenants, and are hereinafter referred to as the Moderately Priced Dwelling Units (MPDUs).

#### **ARTICLE II**

For a period of ten years beginning on the date of recordation of the deed from the Declarant to the initial purchaser of the MPDU or such other period as established by law, occupancy period, the MPDUs and the improvements hereon and those that may subsequently be made to the MPDUs must not be sold or the mortgage or deed of trust note refinanced for an amount in excess of the maximum sales price established in accordance with Section 20.30.110 of Chapter 20.30 of the City of Annapolis Code, as amended. The resale price calculation for the MPDUs will be made in accordance with the change in the median house hold income as calculated by the U.S. Department of Housing and Urban Development for the Baltimore Metropolitan Area. If an MPDU is sold during the first ten-year occupancy period, the provisions contained in these covenants will be effective for ten years from the date of the subsequent sale of the MPDU. MPDUs offered for resale during the occupancy period must comply with Annapolis City Code, Section 20.30.140, as amended.

#### **ARTICLE III**

For the first sale of the MPDUs after the expiration of the initial or subsequent ten year resale price occupancy period referred to in Article, II, the seller of the MPDU as a condition of transferring good title, must make a payment to the Homeownership Assistance Trust Fund in accordance with the provisions contained in Section 20.30.140 of the City of Annapolis Code, as amended. After the required payment has been received by the City of Annapolis Department of Finance, the restrictions contained in these Covenants will be released. The Department of Planning and Zoning and other housing agencies and nonprofit corporations approved by the City are exempt

from this provision of the Covenants.

#### **ARTICLE IV**

Purchasers of Moderately Priced Dwelling Units, except for the Department of Planning and Zoning and other housing development agencies or nonprofit corporations approved by the City, are not permitted to lease or rent Moderately Priced Dwelling Units to other parties for a period of ten years from the original date of purchase of the MPDU. This restriction may be waived by the City in writing to allow a temporary rental of the MPDU for good and sufficient cause. The unit must be rented in accordance with regulations established by the City. Purchasers must receive written permission from the City to rent their MPDU temporarily. Purchasers will be required to extend the ten-year occupancy period for a time equal to the length of time the MPDU is rented. The Purchaser must occupy the MPDU as his or her primary residence during the occupancy period.

#### **ARTICLE V**

Declarant, its heirs, assigns, and successors, hereby irrevocably assigns, transfers, and conveys unto City of Annapolis, Maryland all its right, title, interest, or obligation to enforce and maintain in full force and effect, the terms, conditions, and requirements of this Declaration of Covenants.

#### **ARTICLE VI**

Enforcement of these Covenants by Declarant or City of Annapolis, Maryland must be by and proceeding, at law or in equity, against any person or persons violating or attempting to violate intentionally or otherwise, any covenant or restriction herein contained, either to restrain any violation hereof or to recover damages or monies, or to proceed against the land or the MPDUs in the enforcement of any lien or obligation created by or resulting from these Covenants.

#### **ARTICLE VII**

These Covenants are binding upon the MPDUs, upon Declarant and its heirs, successors, and assigns, and upon all transferees and transferors of the title to the MPDUs for the period of time stated and until the fulfillment of all other provisions contained herein including the payment required to be made to the Homeownership Assistance Trust Fund.

#### **ARTICLE VIII**

The original deed of conveyance from the Declarant, its heirs, assigns or successors, and all subsequent transfers, assignments of deeds of conveyance out by subsequent owners of the MPDU, must, during the terms of these Covenants, contain conspicuous language specifically reciting that the MPDUs are subject to these Covenants and reference the date of recordation of

these Covenants and the Liber and Folio as recorded among the Land Records of Anne Arundel County, Maryland. Notice must be included in any contract of sale which fully and completely discloses the resale price restrictions and controls established herein. All subsequent sellers of the MPDU must likewise provide such notice in contracts of sale.

#### **ARTICLE IX**

These Covenants cannot be amended or released, except by the expiration of the occupancy period stated herein Article II, or any extension granted there to under Article IV, and receipt by the City of Annapolis Department of Finance of the proper payment to the Homeownership Assistance Trust Fund, without prior written consent of City of Annapolis, Maryland.

#### **ARTICLE X**

If the MPDU is sold at a foreclosure sale, the restrictions contained in the Covenants will be terminated after the City has received the payment required to be made to the Homeownership Trust Fund in accordance with the provisions of Section 20.30 of the City of Annapolis Code, as amended and any applicable Executive Regulations.

#### **ARTICLE XI**

If any default occurs and is continuing, the City may apply to any state or federal court having jurisdiction for specific performance of the Declaration of Covenants, for an injunction against any violation of this Declaration of Covenants, or for such other relief at law or equity as may be appropriate and consistent with applicable requirements of the Declaration of Covenants.

Remedy is cumulative and is in addition to every other remedy given under this Declaration of Covenants, existing at law or in equity. No delay or omission to exercise any right or power accruing upon any failure to perform under this Article will impair any such right or power or will be construed to be a waiver thereof. If, upon or after the occurrence of any default hereunder, the City incurs expenses for the enforcement or performance or observance of any obligation or agreement on the part of others contained herein, the City must be reimbursed upon demand by the party or parties for reasonable expenses paid to third parties.

IN WITNESS WHEREOF, Declarant\_\_\_\_\_ has caused these presents to be executed by \_\_\_\_\_ its, \_\_\_\_\_ its corporate seal to be affixed hereto, and does appoint \_\_\_\_\_ its true and lawful attorney-in-fact to acknowledge and deliver these presents.

**WITNESS:**

**DECLARANT:**

\_\_\_\_\_

\_\_\_\_\_

STATE OF MARYLAND  
CITY OF ANNAPOLIS:

I HEREBY CERTIFY that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared \_\_\_\_\_ who is personally well known to me as the person named as attorney-in-fact as aforesaid, and by virtue vested in him as aforesaid, acknowledged the same to be the act and deed of \_\_\_\_\_, the Declarant therein, for the purposes therein contained.

WITNESS my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
My Commission Expires:

## Property Description

This property was acquired by \_\_\_\_\_ on \_\_\_\_\_ (date). The Deed is recorded at Liber \_\_\_\_\_ Folio \_\_\_\_\_.

[illegible]